

# The Idaho Decision Unit (DU) Budget Model

## Benchmark 1



**FY 2004 Original Appropriation:** The amount appropriated last session for the current fiscal year, which began July 1, 2003, and runs through June 30, 2004. It is the amount of spending authority specified in the original appropriation bill.

*Decision Units  
adjusting current  
year Appropriation*

**Reappropriation:** An appropriation is usually good for only one fiscal year. However, in some instances, the Legislature allows an agency to carryover unexpended balances to the next fiscal year, thus increasing the total appropriated spending authority over the amounts designated in the original appropriation bill.

**Supplemental Appropriation:** These are generally requests for additional funding in the current fiscal year to address unforeseen emergencies. However, supplementals may also be used to delete funds (**rescissions**) or transfer funding between expenditure classes, funds, programs or agencies.

## Benchmark 2



**FY 2004 Total Appropriation:** The amount specified in the original appropriation bill plus reappropriations (carryover), supplemental appropriations and other adjustments made by the Legislature or, potentially, the Board of Examiners.

*Decision Units  
adjusting  
current year  
Expenditures*

**Expenditure Adjustments:** Agencies can adjust their appropriations, within legislatively approved guidelines, to accurately reflect the way the money will likely be expended. Adjustments can include **Executive Holdbacks**, recording receipts to appropriations, recording noncognizable funds, transfers between expenditure classes, and transfers between programs.

## Benchmark 3



**FY 2004 Estimated Expenditures:** The expenditure class detail (personnel costs, operating expenditures, capital outlay, and trustee & benefit payments) of how an agency intends to expend its current year appropriation. Includes the total appropriation plus all current year adjustments.

*Decision Units  
adjusting current  
year Base*

**Base Adjustments:** This is where funding provided for one-time (non-recurring) purchases for the current year is removed from an agency's budget, and where across-the-board base reductions or funding holdbacks are made. These adjustments also allow an agency to reorganize its operations for the coming fiscal year, if desired, by transferring funds between programs or summary objects.

## Benchmark 4



**FY 2005 Base:** The Base is the major benchmark in the appropriations process. The Base reflects current year estimated expenditures plus base adjustments minus one-time funding. It is the starting point in building an agency's appropriation for the next fiscal year.

*Decision Units  
adjusting  
Maintenance of  
Current  
Operations  
(MCO) service  
level for next  
fiscal year*

**Personnel Cost Rollups:** These are increases in the cost of maintaining a range of employer-paid benefits for state employees such as social security, retirement (PERSI), and health insurance.

**Inflationary Adjustments:** Agencies are directed to request an increase in their operating and trustee/benefit expenses, based on the Consumer Price Index (CPI), to address higher, inflation-driven costs.

**Nonstandard Adjustments:** These adjustments identify costs that are not accurately classified in the other "maintenance" adjustments but which are necessary to maintain current levels of service. These increases are often beyond the control of the requesting agency or represent increased volume within current responsibilities. Examples include increases in audit fees, legal fees, rent, insurance premiums, personnel reclassifications or growth service group populations such as students or prisoners.

**Annualizations:** This budget component identifies full-year costs for budget items which were partially funded in the prior year.

**Employee Compensation:** Known as Change in Employee Compensation (CEC), this decision unit identifies increases in salaries and variable benefit costs for classified and exempt state employees.

**Fund Shifts:** Replaces a loss of one fund source with another to maintain existing levels of service.

## Benchmark 5



**FY 2005 Maintenance of Current Operations (MCO):** MCO includes an agency's Base budget plus the appropriate "maintenance" adjustments that may be required to maintain current service levels. This level of funding does not support the expansion of existing programs or the addition of new programs

*Enhancement  
Decision Units for  
next fiscal year*

**Program Enhancements:** These decision units, listed in priority order, reflect an agency's desire to either add new program elements, expand the scope of existing services or respond to increasing work loads.

## Benchmark 6



**FY 2005 Total Appropriation:** The total funding appropriated for the coming fiscal year, that will begin on July 1, 2004 and end on June 30, 2005. It includes an agency's Base budget plus any maintenance adjustments to support current service levels plus any authorized enhancements to expand service levels or add new services.